



Department of General Services
Office of Procurement
707 Third Street, 2nd Floor
West Sacramento, CA 95605

**STATE OF CALIFORNIA
HEALTH INSURANCE PORTABILITY AND
ACCOUNTABILITY ACT (HIPAA)
MASTER SERVICE AGREEMENT**

CONTRACT NO.:	VARIOUS
CONTRACTOR:	VARIOUS
PRODUCTS:	HIPAA SERVICES
CONTRACT TERM:	JUNE 3, 2002 – JUNE 2, 2006
DISTRIBUTION LIST:	BSO LIST PLUS LOCAL AGENCY LIST

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HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) MSA USER GUIDE

I. INTRODUCTION AND GENERAL INFORMATION

The Health Insurance Portability and Accountability Act (HIPAA) Master Services Agreement (MSA) provides state agencies, cities, counties, special districts, educational and other public entities with professional consultant services. The contractors can help you achieve your HIPAA goals and objectives. Please note: all information regarding local agencies usage of this MSA can be found at the end of this section.

The MSA offers choices of fifty (50) consulting firms in seventeen (17) different categories and/or subcategories. Contractors have been selected through a competitive selection process that was based on 60% consulting experience and 40% cost.

This MSA expedites the process you use to obtain contractors for HIPAA consulting services. You develop a statement of work for your project; send the statement of work to contractors within the selected category; evaluate the contractors' response to the statement of work; and choose the contractor best suited to your requirements and style. You manage the project, approve the deliverables and pay the contractor. If you need assistance in development of your "Request for Offer", (refer to the sample provided in the forms section of this document) you can contact your DGS/Office of Legal Services assigned attorney or the DGS/PD Contract Administrator.

While the State of California makes this MSA available to local government agencies, each local agency should make its own determination of whether using these competitively bid contracts is consistent with its procurement policies and regulations.

A. DGS, PROCUREMENT DIVISION CONTACT

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B. SERVICE CATEGORIES

Business and Management Consulting Services categories and / or subcategories offered in this MSA include:

1. Project Management/Oversight Activities
2. Privacy/Security
3. Business Analysis Activities
4. Information Technology (IT) Systems Activities
5. Miscellaneous

See **Section III, SERVICE CATEGORIES** for a general definition of the services and / or subcategories and personnel classifications.

C. PRICING

Ordering agencies pay the hourly rate specified in each of the contractor's contract for this MSA. Rates may not exceed the contract rate. However, the contractors agree that their hourly rates can be reduced on an individual project basis. Once the ordering agency issues a MSA order, the hourly rates become fixed for the term of the MSA order. Increases to hourly rates as described below will not affect MSA orders issued prior to the date of the increase.

D. PAYMENT

State agencies must comply with Government Code § 927 and pay undisputed invoices within the required 45 days. State agencies also may make progress payments to contractors for work performed for contracts greater than three months in duration. If progress payments are included in the contract, the ordering agency shall retain **ten percent (10%) of fees** billed pending completion of the entire project (PCC 10379). Local agencies may make payments according to their statutory requirements.

E. DEPARTMENT OF GENERAL SERVICES ADMINISTRATIVE FEE

DGS charges the users of this MSA an administrative fee. The DGS administrative fee is a specified percentage of contracted services. DGS annually sets the percentage for such administrative fee. Agencies using this MSA should check the DGS website for current rates. The DGS administrative fee is not included in the contractors' hourly rates for this MSA.

The DGS administrative fee is currently set at **1.93 %** of the contracted amount. DGS will bill the user agencies directly for the administrative fee.

F. PROJECT RELATED EXPENSES

1. Contractor personnel must be available to interview and work statewide. There is no increase in hourly rates for different locations. Project costs related to items such as travel, per diem and travel time to the designated base of operation for the project are costs of the contractor. The ordering agency shall not pay for such costs as a separate item. The ordering agency will also determine the base of operation for each project.
2. The only travel expense exception will be when the contractor is required to travel to multiple sites that are not located in the same city or general vicinity as part of the project and this requirement is specified in the project's scope of work. All travel expenses must be preauthorized by the ordering agency and is reimbursed at the then current Dept. of Personnel Administration state rates. Local agencies will pay according to their statutory requirements. The travel expense exception does not pertain to on-site interviews.
3. Contractors may invoice the ordering agencies for training materials such as manuals, video, etc., as a separate line item from the consulting hours if such expenses are included in the agency's project Statement of Work.
4. With marketing projects, expenses such as printing of brochures, media buys, video reproduction, etc. are listed on the project's budget and invoices as a separate line item from consulting hours, if such expenses are included in the project's statement of work.

G. PERSONNEL WORKING ON PROJECTS

Contractors must include the names, classifications and resumes of personnel including subcontractors who will be assigned to the project during the project work period. **If a contractor's proposal includes subcontractors, the hourly rates and classification equivalent must be listed for subcontractors and cannot be higher than the prime contractor's published MSA rates.**

H. TERM OF MSA

The term of this MSA is four years, with two (2) optional one-year renewals. All orders issued under this MSA must be completed within twelve (12) months following the expiration of the contract. The optional renewals of the MSA must be executed and approved by DGS/Procurement Division via a contract amendment and supplement to this User Guide.

I. AGENCY REPORTING REQUIREMENTS

1. The ordering agency must complete a Notice of Contract Award (NCA) for all orders exceeding \$250,000.
2. Upon completion of the contracted project, the ordering agency should complete the **MSA Contract Performance Report (see Section VI, FORMS)** and send the completed form to the MSA Contact for DGS/PD. State agencies may also use the Contract/Contractor Evaluation Form (STD.4).
3. If the contractor's performance is unsatisfactory, state agencies must send a copy of the completed STD.4 to the DGS, Office of Legal Services within five (5) days after the completion of the evaluation. The contractor must be notified and sent a copy of the unsatisfactory evaluation within fifteen days after its completion, per the State Contracting Manual, DGS/Office of Legal Services.
4. Effective January 1, 2001, ordering agencies must report specific information on independent sole proprietor contractors to the Employment Development Department (EDD) as required by Senate Bill 542. The information must be reported within 20 days of entering into a contract for \$600.00 or more, or if there is no contract, within 20 days of when the payments total \$600.00 or more in any calendar year, whichever occurs sooner.

NOTE: For assistance in reporting to EDD, please call 916/657-0529, the EDD Tax Branch, Accounts Services Group.

J. LOCAL AGENCY REQUIREMENTS

1. DGS charges the users of this MSA an administrative fee. The DGS administrative fee is a specified percentage of contracted services. DGS annually sets the percentage for such administrative fee. Agencies using this MSA should check the DGS website for current rates. The DGS administrative fee is not included in the contractors' hourly rates for this MSA. Local agencies must agree to the State's administrative fee.
2. The DVBE participation goals do not apply to MSA orders issued by local agencies.